

DAILY MARKET REVIEW

13 July, Thursday

2017



ROSSETI



IDGC OF CENTRE

REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 12 July some neutral external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 closed in different directions with changes within 0.1%. The rise of the energy sector, following the increase in oil prices and the positive information about the intention of the US Senate to finalize a number of bills within two weeks, including the healthcare reform, was offset by another round of political scandal in Washington with the participation of the US president. The reason for this was the publication of electronic correspondence of the eldest son of Donald Trump, which speaks of the support of his father by Russia during the election campaign of 2016. New accusations of the US president in cooperation with Russia, CNBC reported, led to an increase in demand for defensive assets on Wednesday, including yen and gold, and triggered a decline in the main country indices in the Asia-Pacific region. September Brent futures traded near \$48.2 per barrel, \$0.9 higher than the closing level on 11 July. The rise in quotations was promoted both by the data of the American Petroleum Institute, which recorded much more than expected reduction of oil reserves in the country, and the first in many months decrease in the forecast of oil production in the US from the US Department of Energy.

On Wednesday the Russian and European markets were dominated by buyers. In the first half of the day the MICEX Index and the European Stoxx Europe 600 Index added about a percent due to stabilization of Brent oil prices above \$48 per barrel and good data on industrial production in the Eurozone, which in May grew more than expected. In the second half of the day the rise of Western markets accelerated after the publication of the report of the head of the Fed, which says that the Central Bank would not rush to tighten monetary policy, since inflation remains below the target of 2%. Against this backdrop, the growth rate of Stoxx Europe 600 increased to 1.5%, US indices added more than 0.5% at the beginning of trading, and DJIA updated its historic record. At the same time, the MICEX Index slightly reduced the rise by the end of the trading session due to the reduction of Brent quotations to around \$47.5 per barrel after the publication of mixed statistics from the US Department of Ministry. On the one hand, the country's oil reserves in the country fell 7.6 million barrels last week – three times more than expected, the reserves at the terminal in Cushing, where oil traded on NYMEX is stored, were reduced to a minimum since November 2015, on the other hand, oil production rose to record levels in two years.

During the trading session the MicexPWR Sector Index looked better than the broad market mainly due to growth of shares of Inter RAO and Mosenergo.

ELECTRIC POWER INDUSTRY NEWS

The Government approved changes in the procedure for paying "load losses"

The Government of the Russian Federation by Resolution No. 810 of 7 July 2017 approved changes in a number of regulatory legal acts in terms of improving the mechanism for paying for electricity losses at the Wholesale market for electricity and power and the retail energy market.

Read full text: <http://www.bigpowernews.ru/markets/document78279.phtml>

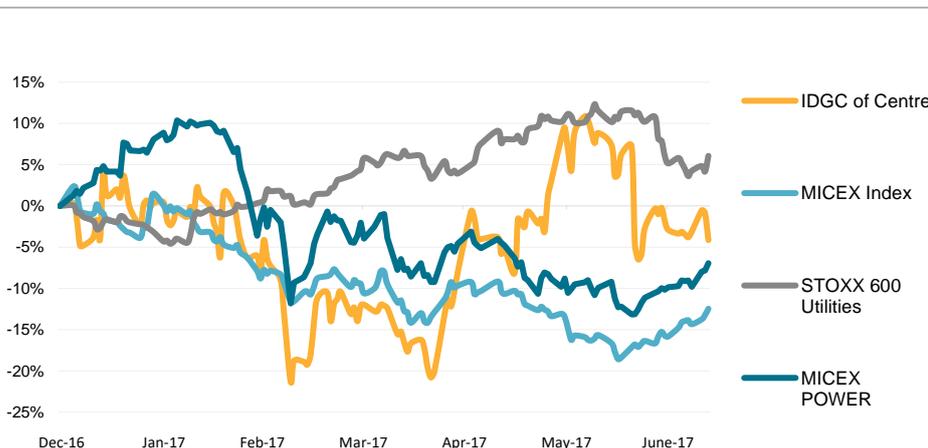
COMPANY NEWS

In the first half of the year Kurskenergo saved more than 1.3 million kWh of electricity

IDGC of Centre – Kurskenergo division summed up the results of the implementation of the energy saving and energy efficiency improvement program for 6 months of 2017. The total effect from its implementation was 1.322 million kWh. For comparison, this amount of electricity is equal to the monthly energy consumption of Ponyrovsky district of the Kursk region with a population of about 11 thousand people.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/60626/>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 954,39	0,86%	-12,47%
S&P 500	2 443,25	0,73%	9,13%
FTSE 100	7 416,93	1,19%	3,84%
DAX	12 626,58	1,52%	9,98%
DJStoxx 600	384,90	1,52%	6,50%
STOXX Utilities	293,56	1,83%	6,07%
Nikkei	20 098,38	-0,48%	5,15%
Sensex	31 804,82	0,18%	19,45%
CSI300	3 658,82	-0,33%	10,54%
Bovespa	64 835,55	1,57%	7,65%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,14	-0,16%	8,60%
USD/RUB	60,74	0,73%	0,14%
Euro/RUB	69,20	0,62%	8,45%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 220,51	0,23%	6,36%
Brent*, USD/bbl	47,74	0,46%	-18,86%

* - September futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4285
Capitalisation**, billion RUB	18,09
Capitalisation**, million USD	297,83

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	0,96%	-6,96%
Shares of IDGC of Centre**	-3,27%	-4,14%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	2,18%	-23,87%
FGC UES	-0,19%	-11,42%
IDGC of Volga	0,07%	26,43%
MOESK	1,60%	-7,80%
IDGC of Northern Caucasus	-2,11%	-26,53%
IDGC of Centre and Volga Reg	0,11%	28,45%
IDGC of North-West	2,79%	-19,64%
IDGC of Urals	1,01%	-8,81%
IDGC of Siberia	-1,32%	-19,71%
IDGC of South	-0,52%	-26,91%
Lenenergo, ordinary shares	3,12%	-9,99%
TRK, ordinary shares	0,00%	-24,37%
Kubanenergo	-0,66%	-13,33%

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC
MRKC:RM
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